

Press Release
World Crest Advisors LLP

July 31, 2018

Rating Assigned



Total Bank Facilities Rated*	Rs.446.00 Cr.
Short Term Rating	ACUITE A3

* Refer Annexure for details

Rating Rationale

Acuité has assigned short term rating of '**ACUITE A3**' (**read as ACUITE A three**) on the Rs.446.00 crore bank facilities of World Crest Advisors LLP.

World Crest Advisors LLP (WCAL) established in 2016 is a part of Essel Group, the leading industrial group with significant presence in media, entertainment, technology, infrastructure, packaging, financial services and education among others. Mr. Subhash Chandra is the promoter of the Group. WCAL is engaged in carrying out Investment in listed and unlisted equities, bonds also providing financial and management consultancy services.

Analytical Approach

To arrive at its rating, Acuité has considered the standalone financials to evaluate the credit quality of WCAL and subsequently factored support from the Essel Group.

Key Rating Drivers

Strengths

• **Benefits derived from association with Essel group**

WCAL is the part of Essel group which was established in 1926. The group, currently led by Mr. Subhash Chandra, is one of the largest diversified groups having presence in media, entertainment, packaging, technology, infrastructure, financial services and education among others. The Essel group companies have demonstrated an ability to mobilize funds and refinance their existing debt from various banks and large non-banking finance companies at competitive rates. Essel group companies hold majority shareholding in WCAL. The bank exposure of WCAL is supported by corporate guarantee of Direct Media Distribution Venture Private Limited. The backing of the group has significantly enhanced the resource raising ability of WCAL and is a strong credit enhancement factor.

Acuité believes that the Essel group will continue to support WCAL and timely support from Essel Group will remain critical to WCAL.

Weaknesses

• **Liquidity profile linked to Essel group's resource raising ability**

The standalone financial risk profile of WCAL is below average. It is a subsidiary of Direct Media Distribution Venture Private Limited (DMDPL) which itself a promoter entity is for Dish TV India Limited (DTIL) holding 24.83 percent shares with a market value of Rs.3282.78 crore as on June 29, 2018. There are no clear identifiable revenue streams in both of these entities. The guarantee being rated is to be submitted in connection with the open offer to be made to shareholders of Dish TV shares. In the event of acquirers which includes WCAL, together with Veena Investments Private Limited and DMDPL not being able to comply with the regulations, the guarantee is liable to be invoked. While the possibility appears to be remote, in the event of such invocation, WCAL will have to be entirely dependent on timely support from Essel group. The group's ability to generate adequate resources internally or externally will be critical in such circumstances.

About the Rated Entity - Key Financials

	Unit	FY17 (Actual)	FY16 (Actual)	FY15 (Actual)
Operating Income	Rs. Cr.	NA	NA	NA
EBITDA	Rs. Cr.	NA	NA	NA
PAT	Rs. Cr.	NA	NA	NA
EBITDA Margin	(%)	NA	NA	NA
PAT Margin	(%)	NA	NA	NA
ROCE	(%)	NA	NA	NA
Total Debt/Tangible Net Worth	Times	NA	NA	NA
PBDIT/Interest	Times	NA	NA	NA
Total Debt/PBDIT	Times	NA	NA	NA
Gross Current Assets (Days)	Days	NA	NA	NA

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

None

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-17.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>

Note on complexity levels of the rated instrument

<https://www.acuite.in/criteria-complexity-levels.htm>

Rating History (Upto last three years)

Not Applicable

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Bank guarantee	Not Applicable	Not Applicable	Not Applicable	446.00	ACUITE A3

Contacts

Analytical	Rating Desk
Aditya Gupta Head - Corporate and Infrastructure Sector Ratings Tel: 022-67141191 aditya.gupta@acuite.in	Varsha Bist Manager - Rating Desk Tel: 022-67141160 rating.desk@acuite.in
Avadhoot Mane Analyst - Rating Operations Tel: 022-67141138 avadhoot.mane@acuiteratings.in	

About Acuité Ratings & Research:

Acuité Ratings & Research Limited (*Erstwhile SMERA Ratings Limited*) is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Acuité ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. Acuité ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité.